



**USAID**  
FROM THE AMERICAN PEOPLE

# Development Innovation Ventures

Open Innovation at USAID

# Agenda

1. The Basics
2. What DIV Provides
3. How to Apply
4. Success Stories

# USAID's Open Innovation Program

## Open innovation

- Innovative solutions come from **anyone, anywhere, any sector, at any time**

## Evidence-driven

- Rigorous evaluation methods drive **clear, measurable outcomes and maximum impact per dollar**

## Tiered, flexible funding

- To **test, refine,** and **scale** proven solutions



# How do we define innovation?

A creative solution to **any** global development problem

## Products, technologies

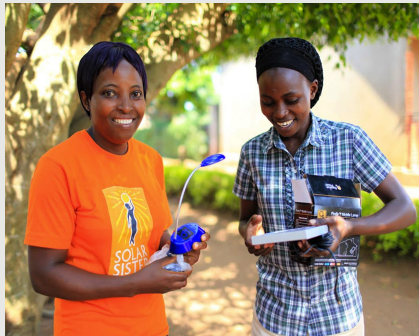
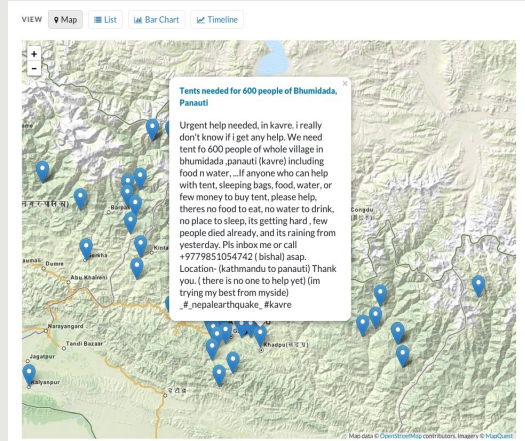
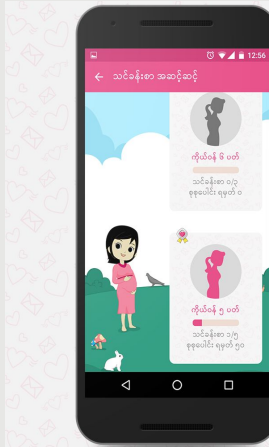
- Mechanical inventions, mobile applications, data systems

## Services

- Health care, waste treatment, financial access, education, energy

## Application of business or delivery models

- Local sales networks, last mile distribution, innovative financing

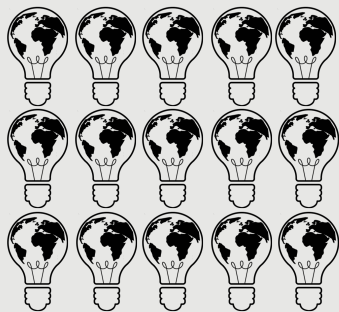


# DIV Funding Stages: Our Tiered, Evidence-driven Model

DIV invests along **three stages** of an innovation's growth, adjusting the grant amount to a solution's level of evidence and risk

## Stage 1

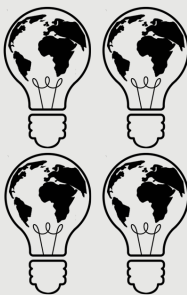
Proof-of-Concept /  
Initial Testing



Up to \$200K

## Stage 2

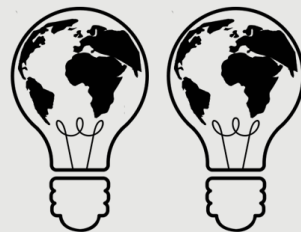
Testing and  
Positioning for Scale



Up to \$1.5M

## Stage 3

Scaling



Up to \$5M

# Evidence Grants

DIV invests **up to \$1.5 million** on research and evaluations that build rigorous evidence of a solution's impact, cost-effectiveness, and potential for expansion.

- impact evaluations (including randomized controlled trials and quasi-experimental methods)
- less weight on pathway to scale evaluation factor

## Teaching at the Right Level - India

- **Research:** Optimal duration, regularity, intensity, cost-effectiveness, and follow-up needed to accelerate basic reading and arithmetic for primary school students
- **Results:** Grouping students and tailoring lessons according to skill level, instead of age or grade; in 67% of the 10,562 schools, over 75% or more children could read

## Povu Poa Handwashing Station - Kenya

- **Research:** Effectiveness of a self-contained, low-flow, and low-foam handwashing station in health clinics and schools
- **Results:** 68% increase in handwashing after toilet use (76.5% with soap); 30-77% less water, 94-99% less soap, less than \$0.10 per 100 uses

# DIV Selection Criteria



## **Rigorous Evidence**

We value rigorous evaluation methods to assess what is working and what is not.



## **Cost-Effectiveness**

We invest in solutions that deliver maximum impact per dollar in comparison to other interventions.



## **Pathway to Scale**

We support solutions for long-term expansion and sustainability, via the private and/or public sectors.

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# What DIV Provides



**Flexible, patient grant funding** - We offer the most patient form of capital (grants) and build flexibility into our grant 'award' structures.



**Dedicated grant manager** - We assign a dedicated team member to help navigate USAID and U.S. Government regulations.



**Acceleration services** - We help identify barriers to scale and support grantees with discrete, strategic services that fulfill growth and sustainability needs.



**USAID network** - We connect grantees to USAID technical and regional bureaus; country Missions; and other USAID programs in science, technology, innovation, and partnership



**Connections to partners and funders** - We provide access to our network of partners, researchers, service providers, and other funders, in order to amplify impact and growth

# Acceleration Services

Grant funding alone is not enough!



**Diagnostics** - Business diagnostics identify and solve key strategic challenges for growth. Potential follow-on technical assistance provided based on key findings.



**Sales Strategy** - Sales strategy and in-the-field execution diagnostics to better understand customers, improve sales pitches, and increase revenue



**Strategic Marketing, Communications, Branding** - Consultations to strengthen clear messaging and effectively communicate impact through storytelling

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**39** acceleration services to date, totaling **\$1.1M** in value

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# How to Apply

Apply at any time - applications are reviewed on a rolling basis.



## DIV Annual Program Statement (APS)

Website: [www.usaid.gov/div](http://www.usaid.gov/div)

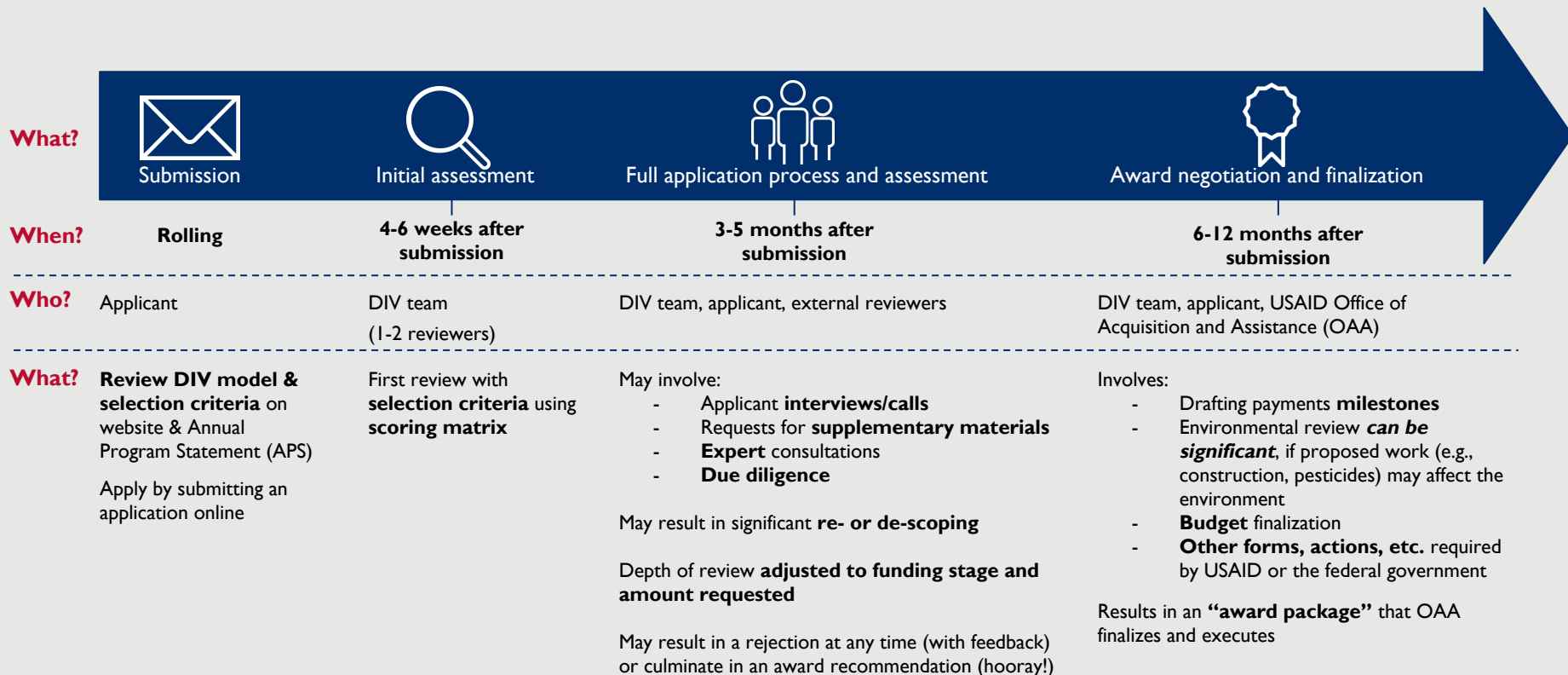
The Annual Program Statement is DIV's procurement solicitation which is revised and renewed every fiscal year.



## Application Process

- Online application with project information and ~12 detailed questions
- Applications must be written in English
- If successful, submit additional information as requested
- Finalize project budget, milestones, USAID documents

# Application Process



# Top Tips for Applying

1. Present a clear **theory of change** - what outcomes will your solution achieve?
2. Be **specific and detailed** about the problem and your solution
3. Tell us what it **costs** to deliver your solution - cost-effectiveness means understanding costs!
4. Provide a thoughtful review of the **competitive landscape** - how is your solution more impactful and cost-effective than other existing interventions?
5. Tell us the **long-term plan** for your solution - we expect a viable pathway to scale and sustainability (through the private and/or public sectors)

# What We Typically Do Not Fund

- Development interventions with **limited potential to scale or demonstration of cost-effectiveness and impact** - (e.g., building schools, constructing orphanages)
- Innovations on a private sector path to scale that **lack a focus on base-of-the-pyramid customers** (e.g., e-commerce platforms)
- **Intermediaries** with an indirect impact (e.g., incubators, accelerators, conveners)
- **Basic scientific research** - e.g., pharmaceutical testing before full regulatory approvals; lab testing of a prototype with no field testing
- **Planning or diagnostic tools** that are difficult to tie directly to measurable impacts
- Innovations with **limited potential for replication** to other contexts
- Innovations with an **unclear theory of change** - e.g., an investigative journalism network

Since 2010, ~\$106M in grant funding to 190+ innovations, across 46 countries







**USAID**  
FROM THE AMERICAN PEOPLE

Thank you!

**Learn more:**

[www.usaid.gov/DIV](http://www.usaid.gov/DIV)

[www.divportfolio.org](http://www.divportfolio.org)

@GlobalDevLab #DIVUSAID

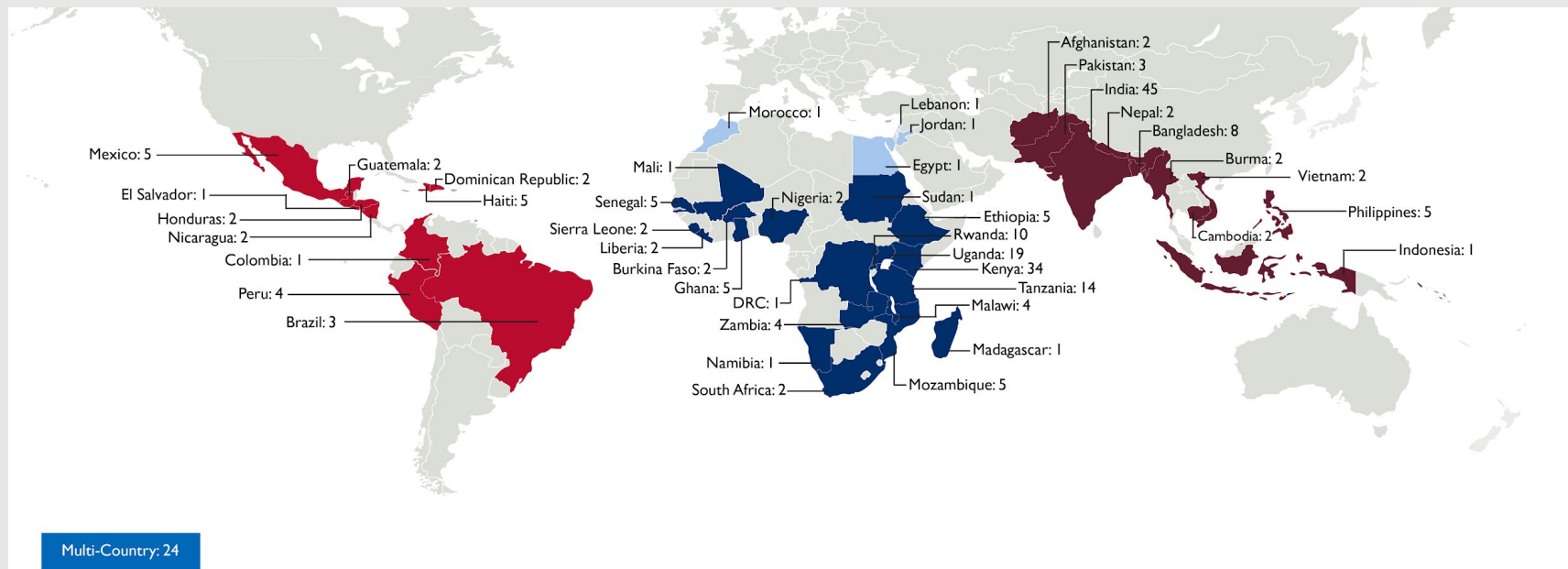
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# Geographic Reach

We have funded projects in **46 countries** and are open to ideas for **any country where USAID works**

## Grants by Country *(number of grants, as of August 2018)*

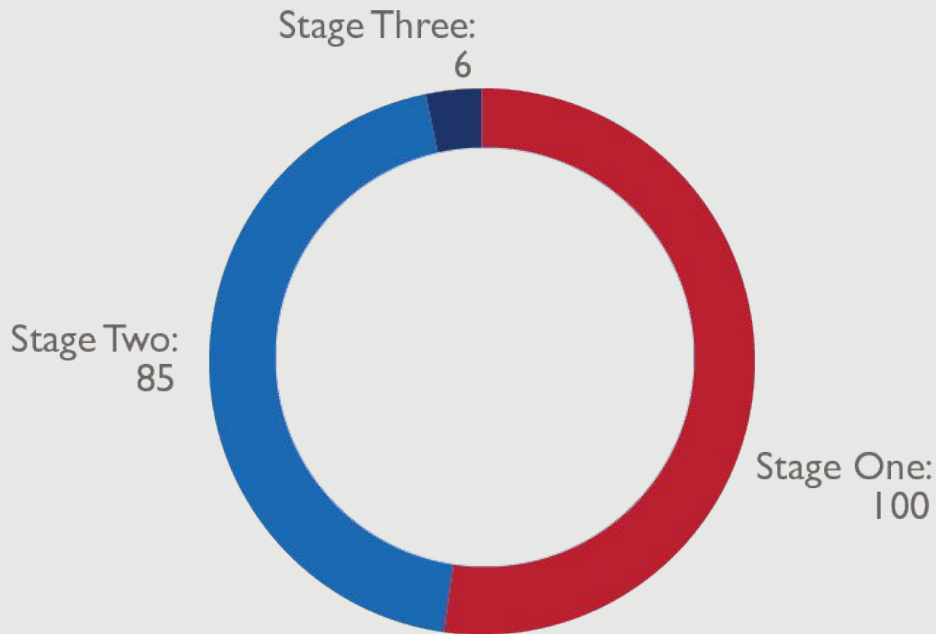
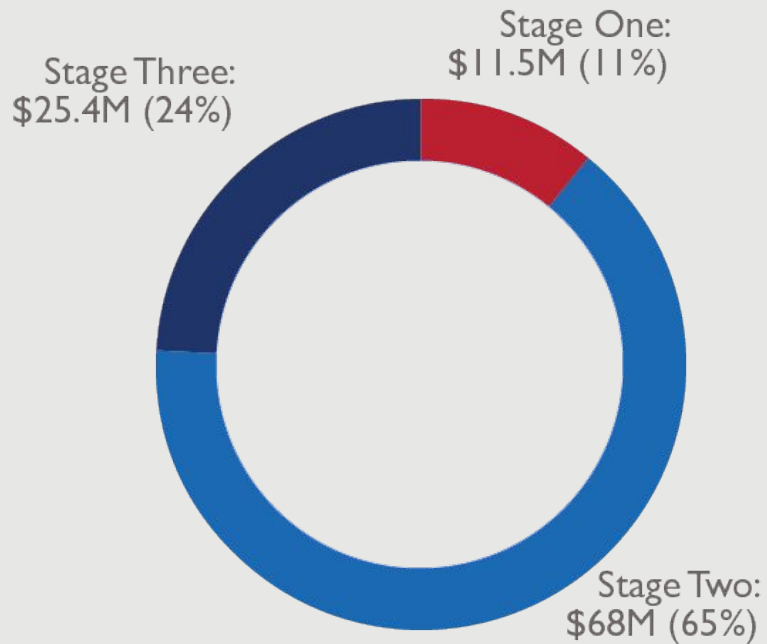


The map includes multi-country grants, but the DIV program to date has awarded 194 grants in total.

# Portfolio at a Glance

**190+** awards and ~\$106 million in grants since 2010

**Grants by Funding Stage** *(total value and number of grants, as of August 2018)*

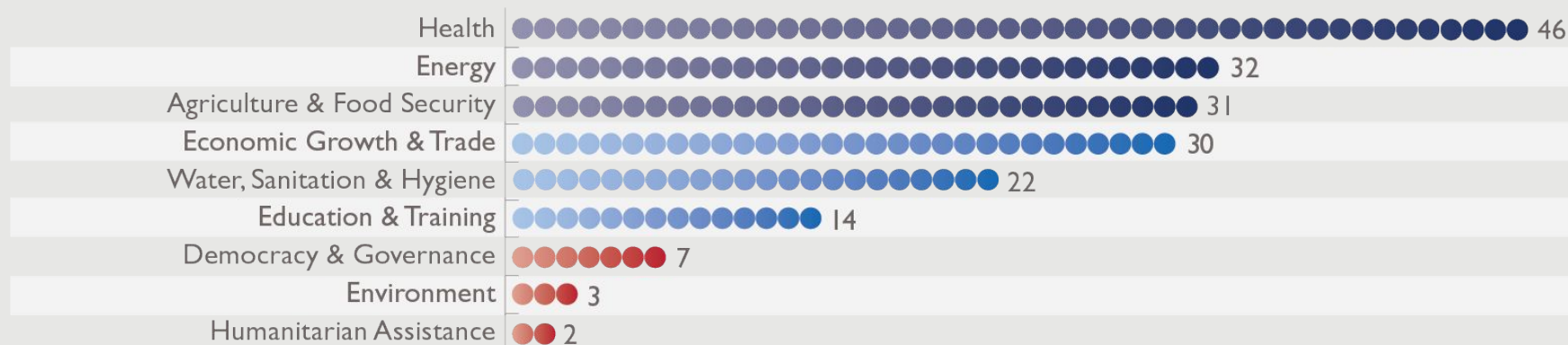


# Sectors

DIV funds innovations across **all sectors**. Many innovations solve challenges **across the boundaries of formal sectors** and are not expected to neatly fit into one.

(For example, vision impacts health, education, and economic opportunity; a pay-as-you-go solar energy service is both an energy solution and an economic growth opportunity for local sales agents)

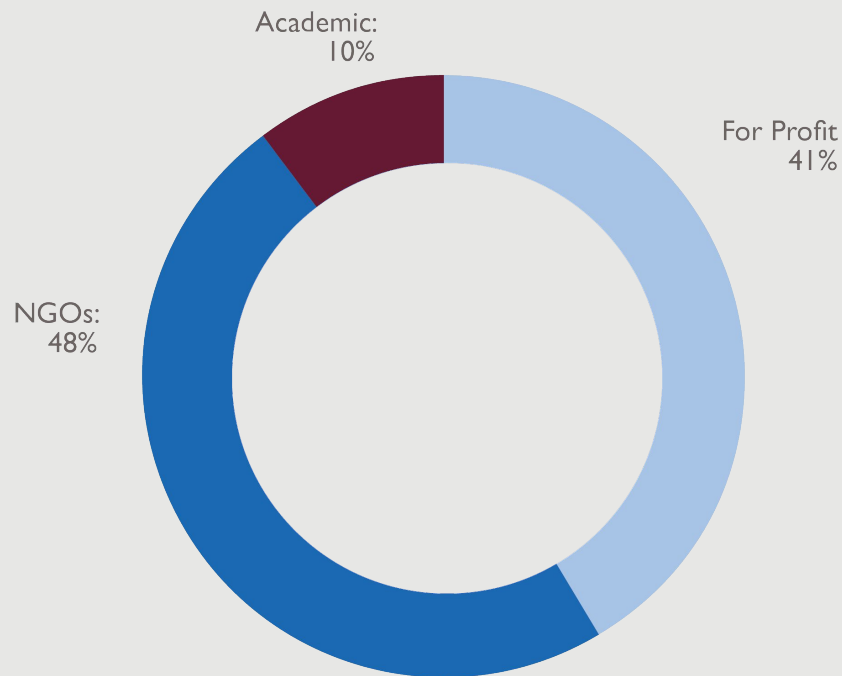
## Grants by Primary Sector *(number of grants, as of August 2018)*



# Organization Types

We fund **all types of organizations**, from NGOs to for-profit social enterprises and academic institutions. 54% of grantees are **first-time USAID partners**.

**Grants by Organization Type**  
(as of August 2018)



# Muso Health

Stage 2: \$1,500,000

Mali ▪ 2016-2019

- **Problem:** Families in poverty receive basic health care too late or not at all, resulting in easily preventable deaths
- **Solution:** Community health workers proactively go door-to-door to provide basic health services - such as newborn screening and treatments for malnutrition, malaria, diarrhea, etc. - directly in patient homes
- **Impact:** Achieved and sustained the lowest rate of child mortality measured in sub-Saharan Africa (7 deaths per 1,000 live births), a rate comparable to that of the United States
- **Pathway to Scale:** Public sector - building health system infrastructure and training staff

**Proactive community health care  
to reduce preventable deaths**



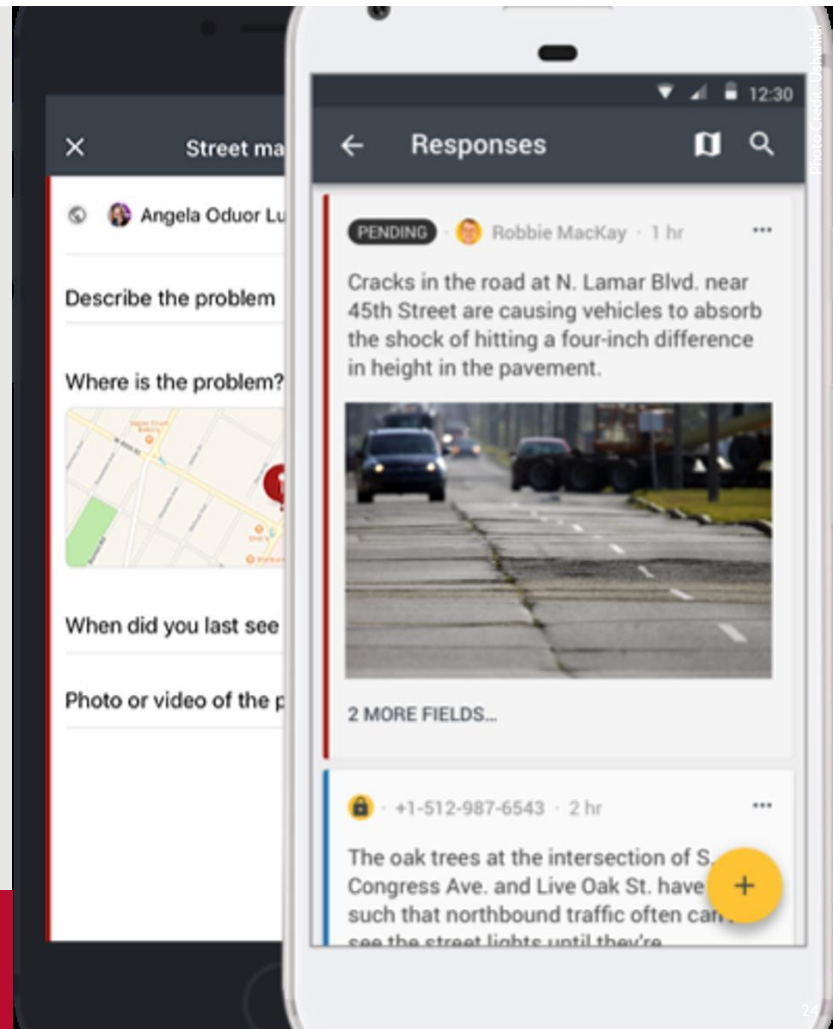
# Ushahidi

Stage 2: \$1,500,000

Global ▪ 2016-2019

- **Problem:** Marginalized communities around the world lack methods to communicate their needs to the organizations and governments meant to serve them
- **Solution:** An open source, citizen reporting platform adaptable to local contexts. By collecting and visualizing data for rapid response, Ushahidi raises voices, informs decisions, stops suffering, and influences change.
- **Impact:** Deployed over 150,000 times in over 160 countries, reaching 18+ million people in critical situations
- **Pathway to Scale:** Partnering with the UN Department of Field Services as the primary incident reporting software

Open source, citizen reporting software





# LenddoEFL (formerly EFLGlobal and Lenddo)

Stage 2: \$1,489,000

Mexico, India ▪ 2015 - 2018

- **Problem:** Over two billion people in emerging markets are excluded from the formal financial sector
- **Solution:** Alternative credit scoring to connect underserved customers and small businesses with financial products, faster and at a low cost
- **Impact:** Over \$2 billion lent to 7+ million applicants across more than 15 countries
- **Pathway to Scale:** Private sector - DIV grantee EFL Global merged with Lenddo, and now partners with banks across Latin America, Asia, and Africa

Using data and behavior surveys to provide underserved customers with financial products



# Vision for a Nation

*Stage 2: \$395,000*

*Rwanda ▪ 2016-2019*

- **Problem:** An estimated 624 million worldwide could have their vision restored with a pair of glasses
- **Solution:** Delivers affordable eye care and glasses through local nurses and health centers
- **Impact:** Partnered with Rwanda's Ministry of Health to provide universal eye care for its national population of 12 million
- **Pathway to Scale:** Public sector - partnership with Rwanda's Ministry of Health to reach every village in Rwanda

**Accessible, affordable eye care**



# Teaching at the Right Level

*Pratham, Stage 2: \$926,582  
India ▪ 2013-2015*

*J-PAL Africa, Stage 3: \$5,000,000  
Zambia ▪ 2017 - 2020*

- **Problem:** Many primary school students do not read at their grade level
- **Solution:** Grouping students according to skill level, instead of age or grade, and tailoring lessons and assessments to their learning level
- **Impact:** Millions of lives impacted, and rigorous evaluations have proven the model's cost-effectiveness in multiple countries
- **Pathway to Scale:** Public sector - such as state governments in India, and Zambia's Ministry of Education for nationwide implementation

**Local solution with Mission adoption, and multi-country evidence of impact and cost-effectiveness**



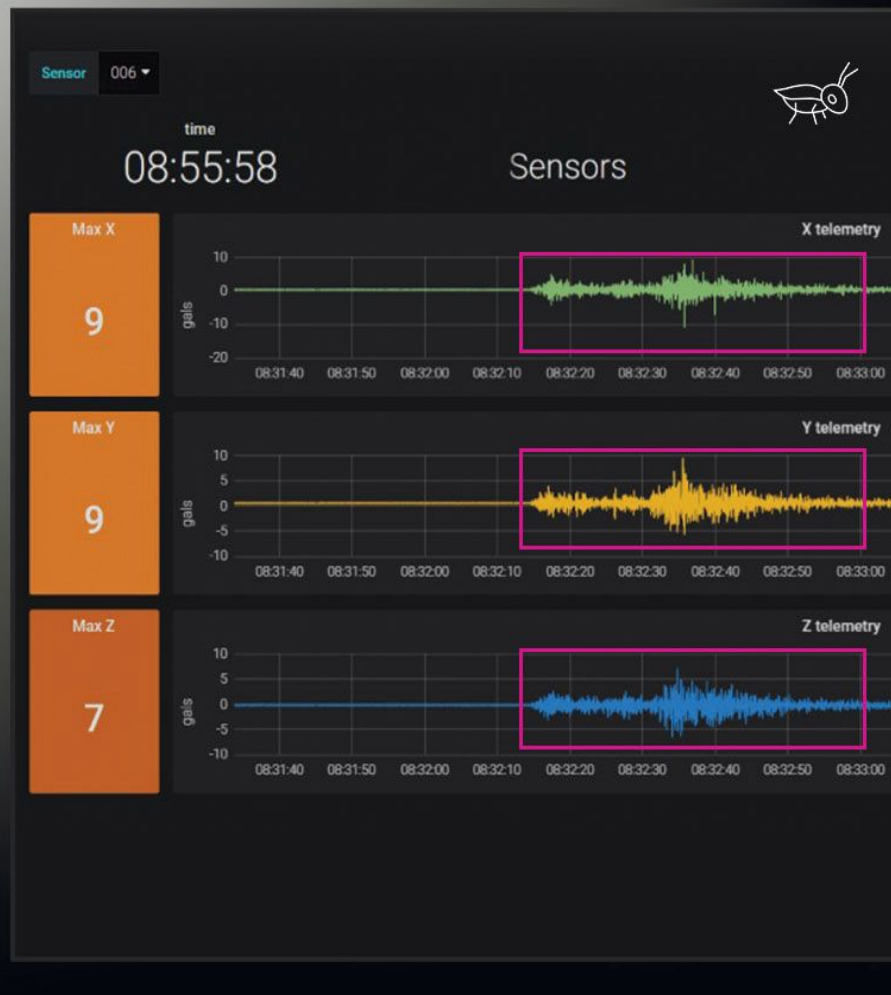
# Grillo

Stage 1: \$150,000

Mexico ▪ 2015-2018

- **Problem:** Earthquake sensors are typically expensive (~\$20,000)
- **Solution:** A dense network of low-cost (\$50) sensors that detect origin, strength, and speed of earthquakes, in order to forecast when they will hit urban areas
- **Impact:** Demonstrating technical viability and accuracy of a cost-effective early warning system for earthquakes
- **Path to Scale:** Sale of alert feed to state governments and vulnerable organizations such as hospitals, schools, military facilities, utilities, etc.

**A highly cost-effective solution for critical disaster alert systems**





# Rainforest Connection

Stage 2: \$600,000

Brazil ▪ 2017-2020

- **Problem:** Deforestation from illegal logging contributes to climate risk and harms the livelihoods of indigenous communities, but monitoring technologies are expensive
- **Solution:** Affordable remote sensors that enable continuous, real-time monitoring of forested areas using a simple listening and sound identification software
- **Impact:** Monitored 26,000 hectares and sequestered 6.5 million metric tons of carbon dioxide
- **Pathway to Scale:** Partnership with the indigenous Tembé people

Indigenous forest protection using  
an affordable remote sensing platform



# Evaptainers

Stage 1: \$143,800

Morocco ▪ 2016-2019

- **Problem:** Produce is often lost after harvest or before sale in markets
- **Solution:** A portable refrigerator that requires no electricity, using evaporative cooling to stay 10-15 degrees Celsius below the surrounding environment
- **Impact:** Provided 300 units to low-income rural communities through a pilot test in Morocco, to refine its prototype and develop its business model
- **Pathway to Scale:** Private sector sales

A portable refrigerator that requires no electricity



# Village Enterprise Development Impact Bond

*Stage 2: \$1,277,326*

*Kenya, Uganda ▪ 2017-2020*

- **Problem:** People living in extreme poverty lack the resources, training, and mentoring to become successful first-time entrepreneurs
- **Solution:** A proven poverty graduation model for tens of thousands in rural Kenya and Uganda, using an innovative funding model (development impact bond) that pays only when results are achieved
- **Impact:** \$3.5 million in capital raised
- **Pathway to Scale:** Partnering and using an innovative funding model that incentivizes results and ensures that donors only pay for results achieved

**The first development impact bond launched for Africa  
and for poverty alleviation**





# EarthEnable

*Stage 1: \$150,000 ▪ Stage 2: \$1,841,000*

*Rwanda ▪ 2015-2021*

- **Problem:** Dirt floors are a major cause of infectious disease, respiratory illness, and diarrhea
- **Solution:** Affordable and locally produced earthen floors that are much cheaper than concrete, and easy to maintain
- **Impact:** Installed 554,000 square feet of flooring to impact 8,500 people across 300 different villages
- **Pathway to Scale:** Private sector - on track to grow to 870 masons by 2020 on its path to scale in Rwanda

**Affordable flooring to address a neglected problem impacting health**



Photo: EarthEnable



# Laborlink

*Stage 1: \$100,000 ▪ Stage 2: \$1,063,575*

*India, Bangladesh ▪ 2013-2014, 2015-2018*

- **Problem:** Factory workers around the world are afraid to voice concerns about workplace conditions due to fears of retaliation
- **Solution:** An anonymous two-way communication channel between factory workers and supply chain leaders
- **Impact:** Reached more than a million workers in 16 countries
- **Pathway to Scale:** Private sector - Laborlink was acquired by ELEVATE to further scale and integrate into ELEVATE's 12,000+ audits per year

**Using a real-time, mobile platform to amplify worker voices for safe and respectful workplaces**



# Safeboda

*Stage 1: \$150,000*

*Uganda ▪ 2015-2018*

- **Problem:** Uganda has the second highest rate of motor vehicle accidents in Africa, and motorcycle taxis are involved in the majority of these crashes
- **Solution:** A service that trains drivers with safety as a priority, with a mobile application to connect users and drivers
- **Impact:** Provides over 20,000 rides a day
- **Pathway to Scale:** Private sector - attracting commercial capital to scale in 20 cities across Africa

**An Uber-like service for motorcycle taxis,  
co-founded by a young entrepreneur**

